MRV ENGENHARIA E PARTICIPAÇÕES S.A.

Corporate Taxpayers' Id. (CNPJ/MF): 08.343.492/0001-20

Company Registry (NIRE) No.31.300.023.907

Notice to the Market

Best cash generation ever for the 1st half of the year, reaching R$ 325 million.

Increase of 14% in net Pre-Sales in 2Q16 compared to 1Q16.

Increase of 16% in launches in 2Q16 in relation to 1Q16.

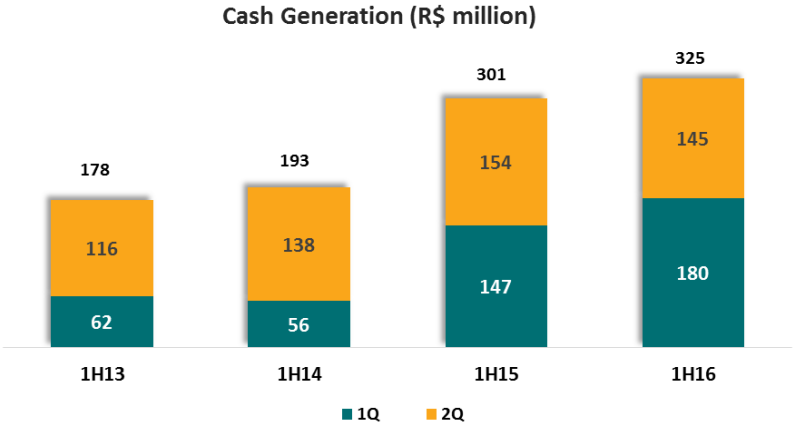
Reaffirmation of the best rating of the sector by Fitch Ratings AA- (br)

Belo Horizonte, July 14, 2016 – MRV Engenharia e Participações S.A. (BM&FBovespa: MRVE3 – ADR OTCQX: MRVNY), informs today its Launches, Pre-sales, Land bank, Built and Finished units, Construction and Client Financing, Cash Generation and Cancellations for the second quarter of 2016.

Highlights

- Increase of 10% in gross sales in 2Q16 compared to 1Q16.
- Reduction of 6.5 p.p. in cancellations/gross sales in the 1H16 in relation to 1H15, as a result of the implementation of the simultaneous sales process.
- Increase of 12% in transferred units compared to the same period last year.
- In the 2Q16, we conclude 10,263 units, increase of 27.5% compared to 1Q16.

Cash Generation*



*Estimated cash generation, not audited

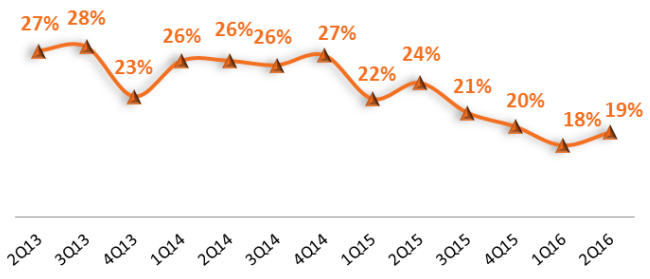
Pre-sales (%MRV)

Pre-sales	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
%MRV								
Pre-sales (R$ million)*	1,355	1,234	1,434	9.8% ↑	5.5% ↓	2,588	2,801	7.6% ↓
Units	8,810	7,730	9,321	14.0% ↑	5.5% ↓	16,540	18,361	9.9% ↓
Average Price - R$'000 / unit	152	159	154	4.3% ↓	1.4% ↓	157	153	2.6% ↑
By financing source - FGTS	94%	93%	86%	0.2 p.p. ↑	7.4 p.p. ↑	94%	85%	9.0 p.p. ↑
By financing source - Savings accounts	6%	7%	14%	0.2 p.p. ↓	7.2 p.p. ↓	6%	15%	8.9 p.p. ↓
Sales over supply (%) - gross sales	19%	18%	26%	1.4 p.p. ↑	7.1 p.p. ↓	32%	40%	8.2 p.p. ↓

* Includes the residential and allotment segments.

- Our segment remains strong and demanding; because of it, the company launched units in new regions and in cities with low inventory and high demand, increasing the good balance of products available in these cities.
- The company´s focus on sales of units eligible to the FGTS reflects the solid performance of the economic segment, which has attractive interest rates and credit availability.

Sales over Supply – SOS (%)



Pre-sales per state (2Q16) MRV

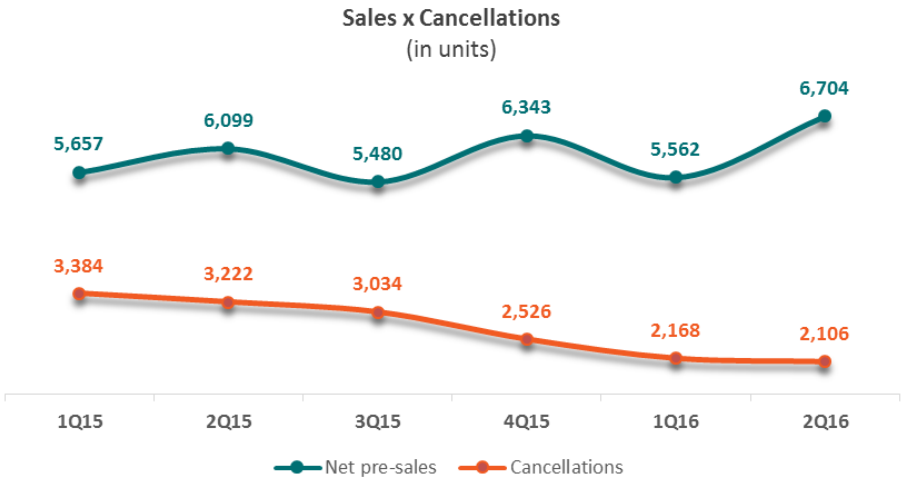
Estate		R$ million	%
SP	São Paulo	547.6	40%
MG	Minas Gerais	166.9	12%
BA	Bahia	106.9	8%
RJ	Rio de Janeiro	96.7	7%
PR	Paraná	94.0	7%
RS	Rio Grande do Sul	92.7	7%
MT	Mato Grosso	37.6	3%
SC	Santa Catarina	36.8	3%
PE	Pernambuco	29.0	2%
DF	Distrito Federal	20.9	2%
ES	Espírito Santo	20.4	2%
GO	Goiás	19.9	1%
MS	Mato Grosso do Sul	18.6	1%
SE	Sergipe	16.2	1%
CE	Ceará	15.9	1%
RN	Rio Grande do Norte	13.1	1%
PB	Paraíba	11.8	1%
AL	Alagoas	9.6	1%
Total		**1,355**	**100%**

Net Sales and Cancellations (%MRV)

- In the 2Q16, the cancellation/gross sales reached 23%, the lowest level since the 3Q14.
- The continuously decrease in cancellation reflects the implementation of the new sales processes "Simultaneous Sales". In this model, the sales are recognized only after the approval of the client´s mortgage with the bank. In addition, the period between the sale and the transfer has been reduced significantly.

(R$ thousand)	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
Gross Sales	1,354,932	1,233,528	1,433,663	9.8% ↑	5.5% ↓	2,588,459	2,800,360	7.6% ↓
Cancellations (Contract Value)	311,246	320,152	427,201	2.8% ↓	27.1% ↓	631,398	865,047	27.0% ↓
Cancellations / Gross Sales	23.0%	26.0%	29.8%	2.98 p.p. ↓	6.83 p.p. ↓	24.4%	30.9%	6.50 p.p. ↓
Net Sales	1,043,686	913,375	1,006,462	14.3% ↑	3.7% ↑	1,957,061	1,935,313	1.1% ↑
(units)	**2Q16**	**1Q16**	**2Q15**	**Chg. 2Q16 x 1Q16**	**Chg. 2Q16 x 2Q15**	**1H16**	**1H15**	**Chg. 1H16 x 1H15**
Gross units Sold	8,810	7,730	9,321	14.0% ↑	5.5% ↓	16,540	18,361	9.9% ↓
Cancelled Units	2,106	2,168	3,222	2.9% ↓	34.6% ↓	4,274	6,605	35.3% ↓
Cancellations / Gross Sales	23.9%	28.0%	34.6%	4.14 p.p. ↓	10.66 p.p. ↓	25.8%	36.0%	10.14 p.p. ↓
Net Sales (units)	6,704	5,562	6,099	20.5% ↑	9.9% ↑	12,266	11,756	4.3% ↑

- The increase of 10% of gross units sold contributed to reach a total of R$ 1 billion in net pre-sales, the highest level since the 4Q14.
- The Company's gross sales will converge increasingly to net sales.



Launches (%MRV)

Launches	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
%MRV								
Launches (R$ million)*	1,123	973	1,088	15.5% ↑	3.2% ↑	2,096	2,025	3.5% ↑
Units	7,416	6,667	7,288	11.2% ↑	1.8% ↑	14,084	13,570	3.8% ↑
Average Price - R$'000 / unit	151	146	149	3.8% ↑	1.4% ↑	149	149	0.3% ↓
By financing source - FGTS	100%	100%	90%	0.0 p.p. ↑	9.7 p.p. ↑	100%	85%	14.7 p.p. ↑
By financing source - Savings accounts	0%	0%	10%	0.0 p.p. ↑	10.1 p.p. ↓	0%	15%	14.7 p.p. ↓

* Includes the residential and allotment segments.

- The Company has maintained the launch strategy focused on supplying the metropolitan areas, where we identify high demand and disposable income, focusing 100% in FGTS.
- The land acquisitions in the last two years were essential for achieving this objective, focusing in areas with excellent location and with shorter periods of legalization. In 2Q16, 40% of all projects launched are from land acquired from 2014.

2Q16 Launches per state (% MRV)

State	R$ million	%
São Paulo	528.4	47%
Minas Gerais	200.1	18%
Paraná	102.1	9%
Rio Grande do Sul	93.4	8%
Bahia	77.1	7%
Goiás	71.7	6%
Espírito Santo	33.5	3%
Rio de Janeiro	17	1%
TOTAL	**1,123**	**100%**

Land bank (%MRV)

Land bank	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
%MRV								
Land Bank (R$ billion)*	38.5	36.3	29.5	6.0% ↑	30.6% ↑	38.5	29.5	30.6% ↑
Units*	254,700	237,946	195,674	7.0% ↑	30.2% ↑	254,700	195,674	30.2% ↑
Average Price - R$'000 / unit	148	149	151	0.8% ↓	2.3% ↓	148	151	2.3% ↓
By financing source - FGTS	99%	99%	83%	0.5 p.p. ↑	15.7 p.p. ↑	99%	83%	15.7 p.p. ↑
By financing source - Savings accounts	1%	1%	17%	0.5 p.p. ↓	15.7 p.p. ↓	1%	17%	15.7 p.p. ↓

* Includes the residential and allotment segments.

- The opportunities for land acquisition remains attractive providing good conditions to the expansion of the company´s bank, in order to: i) replace launched areas, ii) maintain its level for future operations iii) expand to new cities with potential demand, continuing to strengthen our presence in large cities and metropolitan areas. Most of the acquisitions are through swaps and/or installment payments, linked to the issue of legal license.
- Out of R$ 38.5 billion of the landbank, R$ 1.2 billion already have the launching permits issued (8,551 units).

Production and Real Estate Financing (100%)

Production	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
100%								
Built Units*	**8,856**	8,399	10,420	5.4% ↑	15.0% ↓	**17,045**	19,821	14.0% ↓
Finished units	**10,263**	8,052	12,148	27.5% ↑	15.5% ↓	**18,315**	21,266	13.9% ↓
Construction sites*	**219**	222	247	1.4% ↓	11.3% ↓	**219**	247	11.3% ↓
100%								
Client Financing (units)	**7,808**	6,969	8,376	12.0% ↑	6.8% ↓	**14,777**	16,738	11.7% ↓
Construction Financing	**5,106**	3,888	2,911	31.3% ↑	75.4% ↑	**8,994**	5,059	77.8% ↑

* Includes the residential and allotment segments.

- The increase in the volume of built units increased 5.4% compared to 1Q16, in line with the units sold in the same period.
- Since 2015, banks have been more restrictive in granting mortgage to clients, however we have conducted efficiently our sales and transfer process in order to convert the existing demand. The 12.0% increase in the volume of transferred units contributes to the reduction of accounts receivable as well as the continued cash generation.

Urbamais

Urbamais (100%)	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
Land bank (R$ million)	**2,395**	2,421	1,959	1.1% ↓	22.3% ↑	2,395	1,959	22.3% ↑
PSV Launched (R$ million)	**28.0**	-	73.4	0.0% ↑	61.9% ↓	28	73	74.9% ↓
Number of units	**464**	-	1,105	0.0% ↑	58.0% ↓	464	1,105	73.1% ↓
Average price per sq.m. (R$)	**353**	-	389	0.0% ↑	9.4% ↓	353	389	0.2% ↑
Launched area - sq.m.	**79**	-	189	0.0% ↑	57.9% ↓	79	189	75.0% ↓
Pre-sales (R$ million)	**30.2**	15.6	38.7	93.6% ↑	21.9% ↓	45.8	41.0	11.8% ↑
Number of units	**368**	197	592	86.8% ↑	37.8% ↓	565	618	8.6% ↓
Average price per unit (R$ thousand)	**82**	79	65	3.7% ↑	25.7% ↑	81	66	22.3% ↑
Built Units	**210**	127	168	29.6% ↓	46.6% ↓	337	192	12.9% ↑
Construction sites	**2**	3	2	33.3% ↓	0.0% ↑	**2**	**3**	33.3% ↓

% Urbamais	2Q16	1Q16	2Q15	Chg. 2Q16 x 1Q16	Chg. 2Q16 x 2Q15	1H16	1H15	Chg. 1H16 x 1H15
Land bank (R$ million)	**1,519**	1,546	1,263	1.7% ↓	20.3% ↑	1,519	1,263	20.3% ↑
PSV Launched (R$ million)	**28.0**	-	49.2	0.0% ↑	43.1% ↓	28	49	63.6% ↓
Number of units	**464**	-	743	0.0% ↑	37.5% ↓	464	743	61.0% ↓
Launched area - sq.m.	**79**	-	127	0.0% ↑	37.3% ↓	79	127	63.8% ↓
Pre-sales (R$ million)	**27.0**	10.9	25.9	148.4% ↑	4.1% ↑	38	27.4	38.3% ↑
Number of units	**332**	138	397	140.6% ↑	16.5% ↓	470	414	13.4% ↑
Average price per unit (R$ thousand)	**81**	79	65	3.2% ↑	24.8% ↑	81	66	21.9% ↑
Built Units	**144**	87	73	28.7% ↓	43.9% ↓	149	84	77.3% ↑

* Urbamais % capital structure is composed by 60% of MRV and 40% of its owners.

In June, 2016, Urbamais delivered the “Parque Atlanta”, its first project located in Araraquara – SP. The project was launched in August 2014 and delivered in June 2016, two months before the deadline.

The “Parque Atlanta” has an extensive green and full leisure area and it has a total PSV of R$ 34 million and 335 lots. At the end of 2T16, 90% of the units were sold.

Also in the second quarter of 2016, Urbamais launched its fourth project called “Jardim de Campos”. The project is located in Campos dos Goytacazes (RJ) in very densely populated area and near the city center. The “Jardim de Campos” is the second company's project in the city of Campos dos Goytacazes (RJ).

The “Jardim de Campos” was launched in mid-June and it has 464 lots and a total PSV of R$ 28 million. In 2 weeks, over 50% of the units were sold.

In 2T16, the Urbamais sold 368 lots, amount 87% higher than 1Q16. In the year, the total sales reached R$ 46 million.

Note:
Urbamais %: percentage of Urbamais participation in projects.

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About MRV

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with 36 years of experience, active in 142 cities, in 20 Brazilian states and in the Federal District. MRV is listed on the BM&FBovespa's Novo Mercado under the ticker MRVE3 and is part of the Bovespa index (Ibovespa). The ADRs are traded on OTCQX International Premier of the Over-The-Counter (OTC) Market, with ticker MRVNY.